

An Arab Girl Is Killed By Israelis at School During Gaza Protests

By David K. Shipler
New York Times Service

JERUSALEM — An 18-year-old Arab girl was shot and killed Tuesday and another teen-ager was wounded when Israeli troops clashed with demonstrators in the occupied Gaza Strip.

An army spokesman said the incident occurred after a patrol, passing by the Al-Awda school in Khan Yunis, saw 10 masked men in the schoolyard, who they said were pressing girls to go into the street and demonstrate. The patrol entered the schoolyard, the spokesman said, arrested two of the men and ordered the students to disperse.

This set off protests as the girls entered the street and began throwing stones, cluder blocks, chairs and tables at the four soldiers, according to the army's account. Shots were fired in the air, and then into the crowd. Two girls were hit, one 18 and one 16.

The 18-year-old, identified by Arab sources as Ihsan Ahn Daraz, was hit in the chest, the army spokesman said. Arabs said the bullet entered her back. Her death brought to 14 the number of Arabs killed by Israelis since demonstrations erupted in the occupied territories in March.

Arab journalists who inter-

viewed demonstrators said the army's contention that 10 masked men were inciting protests was untrue. There were no masked men at all, they said.

In the Jabalyeh refugee camp in the Gaza Strip, a gasoline bomb was thrown at an army patrol, but failed to explode, the army spokesman said. One Arab was arrested.

Monday, there were disorders in the Old City of Jerusalem as groups of Christian and Moslem Arabs staged a sit-in protest in the Church of the Holy Sepulchre. Subsequent demonstrations were broken up by troops firing into the air.

Tuesday, a police spokesman said, a Palestinian flag was hung from the church, which is built on the site believed to have been Calvary, where Jesus was crucified, and where he was entombed. Police removed the flag, the spokesman reported, and there were no arrests or injuries.

Near Herod's Gate, stones were thrown, injuring a civilian in the head, he said, and policemen fired into the air to disperse the crowd.

Vote in Knesset

JERUSALEM (UPI) — The Knesset Tuesday voted, 58 to 54, with two abstentions to approve Prime Minister Menachem Begin's policy statement that rules out uprooting Jewish settlements in occupied Arab territory in any future peace talks.

The vote occurred after a two-day debate. Mr. Begin served notice that Israel intends to seek the annexation of the occupied West Bank and Gaza Strip after five years of Palestinian autonomy.

The vote, a matter of parliamentary procedure, reflected the breakdown of political parties making up the coalition and opposition. Shimon Peres, leader of the opposition, said his Labor Party would not dismantle settlements for peace but would leave the question of sovereignty open to negotiations.

Hassan Will Visit U.S. And Meet With Reagan

The Associated Press

RABAT, Morocco — King Hassan II will make a two-day visit to the United States beginning May 18 at the invitation of President Reagan, the Ministry of Administrative Affairs has announced.

King Hassan, who is strongly pro-Western, will meet with Mr. Reagan to discuss bilateral relations and international affairs, the ministry said Monday. The two leaders also are expected to discuss Morocco's six-year war against Polisario guerrillas in the Western Sahara.

After Sinai, Mubarak Must Face Other Issues

By William E. Farrell
New York Times Service

CAIRO — The aftermath of the restoration of the Sinai Peninsula to Egypt last week is fading. The crucial date of April 25, which marked the return of the desert by Israel, also marked the end of the honeymoon period between the two nations.

NEWS ANALYSIS

ident Hosni Mubarak has enjoyed since he came to power after the assassination of Anwar Sadat last Oct. 6.

Mr. Mubarak is now faced with a long roster of issues, some foreign, but mostly domestic, that command his attention.

Dealing with these issues, ranging from a population growth that is out of control to a major restructuring of an economy that is becoming more and more precarious, is expected to define more sharply Mr. Mubarak's ability as a leader as he charts a course through the maze of often confusing, and sometimes bumbling, bureaucracies he presides over.

Mr. Mubarak was vice president from 1975 until Sadat's death. He has been president for six months. His moves are reported daily in the Egyptian press and on national television. But many Egyptians keep saying that they still do not quite know who he is or how he intends to put into effect his calls for economic change and greater

equity in the distribution of Egypt's resources among its 44 million citizens.

A leading politician acknowledged that Mr. Mubarak's attempts to be "all things to all Egyptians" in the aftermath of the Sinai assassination worked for a while, allaying fears of collapse and anarchy in the country, but that the post-Sinai period augurs a "battle for the soul and the ear of Mubarak."

He was referring to the many strains in Egyptian life — to powerful politicians in the ruling National Democratic Party who fear that major change will disrupt their own secure posts, to those millions living marginal existences who want many improvements in their lot, and to the adherents of Moslem fundamentalism opposed to the secular bent of the government and whose voices are not unheard by the legions of deprived Egyptians.

At home, Mr. Mubarak's chief problem is the economy. Exports have long since outstripped imports and the trade deficit for 1980-1981 was \$4.2 billion, a 10-percent increase over the previous year. It is still growing.

Population control programs are a shambles; it has been estimated that a million Egyptians are born every 10 months.

One of the pillars of the economy has been the remittance of earnings from the more than 2 million Egyptians who work abroad, mainly in other Arab countries. But about 400,000 Egyptians enter the labor force annually in a country where more than half the population is under age 15.

The prospects of high unemployment are prevalent and there is a feeling that the saturation point for exporting Egyptian labor is near.

In the tense weeks before Israel's final withdrawal from the Sinai, Mr. Mubarak said repeatedly that he welcomed the resumption of relations with Arab countries that broke diplomatic and economic ties with Egypt when Sadat signed the peace treaty with Israel.

Mr. Mubarak said a return to normal relations with other Arab nations was desirable as long as they did not stipulate that he scrap the peace treaty, something he says he will not do.

Since the Egyptian flag was hoisted over the Sinai on Sunday, there have been significant public overtures by some Arab nations toward Egypt.

According to news reports last week, Arab bankers said the Central Bank of Egypt was borrowing \$200 million from a group of international banks, including Bahrain's United Gulf Bank. The loans are the first since the Arab boycott of Egypt in 1979.



Hong Kong policemen try to take away a handcuffed Vietnamese refugee while other refugees seek to prevent the police from making the arrest. The camp houses 7,500 persons.

Vietnamese Clash in Hong Kong Camp

HONG KONG — Two groups of about 500 northern and southern Vietnamese have fought each other in a refugee camp, leaving 15 to 20 southerners injured.

Five police officers were also injured in the third successive night Monday of factional fighting at Hong Kong's largest refugee camp, which houses about 7,500 Vietnamese.

About 300 police officers were needed to restore order, and six persons were arrested. The police resorted to drawing a demarcation line, dividing the camp into two sections, one for southerners and one for northerners. The division recalled the way the country was divided before the

North's conquest of the South in 1975.

At the height of the rioting, some refugees threw gasoline bombs and burned down a shed. They also assaulted several reporters, injuring one of them.

The police managed to restore order after about four hours of persuasion and a show of force.

Study Calls U.S. Agency Incapable Of Blocking Shipments to Russia

By Robert L. Jackson
Los Angeles Times Service

WASHINGTON — Sensitive high-technology equipment with potential military applications is easily reaching the Soviet Union and Warsaw Pact nations because a small unit within the Department of Commerce is poorly equipped to enforce U.S. licensing laws, according to a confidential Senate report.

The report said Monday that the compliance division of the department's Office of Export Administration is understaffed and poorly equipped. Its investigators in certain instances [are] undertrained and unqualified, and the unit thus is not effective, the report said.

The 80-page study, which contains an internal memorandum by a U.S. Customs Service official that is critical of the Department of Commerce's enforcement efforts, was prepared by the staff of the Permanent Subcommittee on Investigations of the Governmental Affairs Committee. A copy of the report was obtained by the Los Angeles Times.

The panel is beginning two weeks of hearings on the problem. Witnesses will include Theodore W. Wu, an assistant U.S. attorney in Los Angeles who has prosecuted illegal export cases, and William H. Bell, a former Hughes Aircraft engineer who was convicted of selling radar secrets to a Polish agent. Bonnie Whyte, a Department of

Commerce spokesman, said of criticism in the report: "This administration has been aware of the problem of high-technology exports for some time, and we've been working to upgrade this unit. We've been transferring personnel and training to this unit because it was recognized as a weak link."

Sen. Sam Nunn, Democrat of Georgia, who directed the staff inquiry, said that the most crucial enforcement problem involved "dual-use" technology that developed in the United States primarily for civilian and commercial purposes that, in the possession of the Russians or others, can be used for military purposes.

Such devices, including advanced users and certain computers, microchips and semiconductors, cannot be exported legally without a license from the Department of Commerce.

But, the Senate study said, the department has only six inspectors — five of them at John F. Kennedy International Airport in New York — to check whether illicit equipment is being shipped abroad. The sixth inspector is in Washington.

"Some airports and seaports never are visited by Commerce Department inspectors in the course of a year," the report said. Although Customs Service inspectors are stationed at airports and seaports, their basic job is to police incoming persons and goods, not shipments leaving the country.

WORLD NEWS BRIEFS

Compiled From Agency Dispatches

Suharto's Party Leads in Elections

JAKARTA — More than 60 million Indonesians voted in national elections Tuesday and the government party of President Suharto moved into an early lead.

Provisional returns announced by the Election Commission gave the president's Golkar Party 90 percent of the first 2.04 million votes counted. The main opposition Moslem Party won 8 percent. In Jakarta, however, the race was tighter. Golkar was leading by less than 4,000 votes after more than 50,000 had been counted.

Voting for the House of Representatives, including four new seats for the province of Timor, was quiet and orderly throughout the country, an Election Commission official said. But troops were on alert with orders to shoot anyone trying to disrupt the elections.

Brezhnev Supports U.S.-Latin Talks

MOSCOW — President Leonid I. Brezhnev Tuesday endorsed negotiations aimed at normalizing Cuban and Nicaraguan relations with the United States.

"We understand perfectly well the persevering efforts of the leadership of Nicaragua to remove through talks difficulties and tension in relations with its neighbors and with the United States," Mr. Brezhnev said at a dinner honoring the visiting Nicaraguan leader, Daniel Ortega.

"The constructive initiatives of other Latin American countries as well, such as Mexico and Cuba, that point in the same direction, are in accord with the goals of our policy," he added.

U.S. Opens Hinckley Prosecution

WASHINGTON — Opening his case, the government prosecutor charged Tuesday that John W. Hinckley Jr. "planned, thought-out [and] executed" the shooting President Reagan outside a Washington hotel 13 months ago.

The prosecutor, Roger Adelman, said the government's evidence will show that Mr. Hinckley practiced shooting at a target range, collected articles on previous assassination attempts and selected explosive "de-vastator" bullets for his mission.

"This was not a random or thoughtless act," Mr. Adelman told the jury that was empaneled Tuesday to consider whether Mr. Hinckley is guilty of attempted murder or not guilty by reason of insanity. Mr. Hinckley is also charged with the wounding of three other persons on March 30, 1981. On Monday, prosecutors disclosed that President Reagan would not testify at the trial.

SWAPO Rejects Western Vote Plan

LISBON — The guerrilla movement seeking to end South African rule in South-West Africa, or Namibia, has confirmed its rejection of a Western-backed electoral package and formally called for an all-party conference to work out an independence plan for the territory, reports reaching here Tuesday said.

A dispatch by the Angolan news agency reported a statement issued Monday by the South-West Africa People's Organization (SWAPO), which said the April proposals for election of a constituent assembly for the territory would favor remaining white settlers.

The SWAPO position was in line with a statement last week by the movement's president, Sam Nujoma, who said the nationalists "reserve the right to reject that which is not correct."

China, India to Resume Border Talks

NEW DELHI — China and India will resume negotiations here May 17 in their search for a solution to their 20-year-old frontier dispute, an Indian government spokesman announced Tuesday.

The spokesman said the New Delhi talks would cover the complicated border question and other bilateral issues, such as economic, scientific and technological cooperation and trade.

The countries concluded five days of border negotiations in Peking last year with an agreement to continue talks later.

Danish Communist Leader Charged

VORDINGBORG, Denmark — A Danish Communist leader who had 200,000 Deutsche marks (about \$85,000) in cash stolen from his house has been charged with violating currency laws, police said Tuesday.

Ingemar Wagner, a member of the Danish Communist Party Central Committee and former member of parliament, said only that the money was earmarked for "the Danish Communist Party's international solidarity work."

Five youths aged 15 to 19 have been arrested for allegedly stealing a fireproof safe with the secret funds from Mr. Wagner's home in March while the Communist aide was on a trip to Moscow.

Britain Condemns 'Fabrications' In Argentine Reports on Conflict

By Steven Rattner
New York Times Service

LONDON — The British Defense Ministry has condemned "fabrications" from Argentine military spokesmen during the recent fighting around the Falkland Islands.

The statement Monday was part of a forceful effort to counter the stream of claims about British casualties coming from Argentina.

Throughout the monthlong crisis, the reports to the press in Argentina have exaggerated the extent of British losses while minimizing the Argentine casualties, with the exception of the statement Monday in Buenos Aires that the cruiser General Belgrano had been sunk.

'Bombed, Mined and Sunk'

For example, on Sunday, Argentina claimed that Britain had lost as many as 11 of its carrier-based Harrier planes. But British correspondents aboard HMS Hermes counted the planes as they left and said the same number returned.

On Sunday as well, Argentine officials contended that the Hermes had been attacked and was on fire and listing. Peter Archer of the Press Association reported a few hours later: "I am on board Hermes. It is not on fire and it is clearly not listing."

Earlier, during the retaking of South Georgia Island, Argentina claimed to have "bombed, mined and sunk" HMS Exeter, which turned out not to have been involved in any military action. Similarly, Argentina claimed that resistance was continuing on the barren island long after Britain said that the last Argentine soldier had surrendered.

In contrast, British military spokesmen have been almost reticent in their accounts, a reticence they have attributed to security considerations and to the need to be sure all information released officially is accurate. As a result, some of the official British statements have yet proved wrong in any material respect.

"You can be sure that our reports are true and as complete as we can make them," a spokesman said Monday.

British officials have sometimes left misleading impressions by ignoring details in off-the-record briefings, so that the thoughts will appear without any attribution.

Perhaps the most notable example occurred at the outset of the crisis when as a result of a background briefing, many journalists reported the presence in the South Atlantic of HMS Superb, a nuclear-powered submarine. Those reports continued for 22 days, until the Superb was sighted at the Scottish submarine base of Faslane.

The reports by journalists with the fleet, which have also proved accurate in every important respect, have not preceded official accounts and have gone beyond ministry statements only in bits of color and in reporting unconfirmed Argentine casualties. Following widespread unhappiness about the inaccuracy of Argentine reports, British officials have begun relaxing censorship of these correspondents.

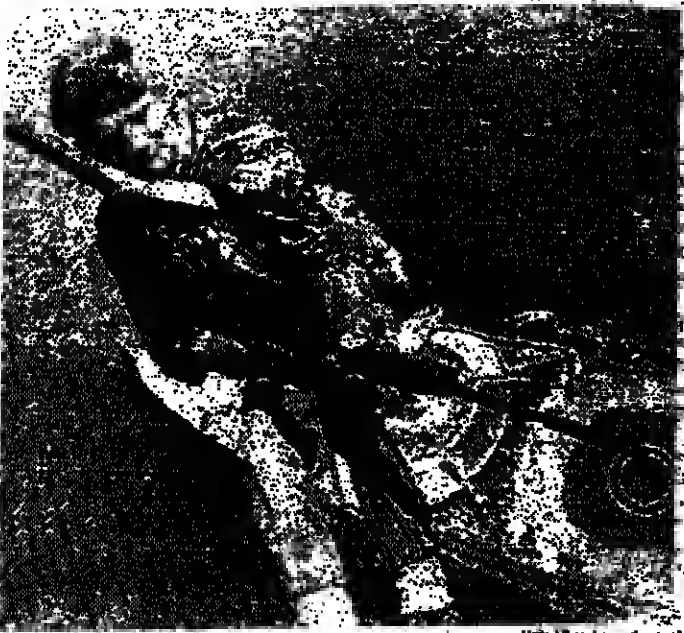
And as part of the effort to refute Argentine claims of only minor damage, British reporters on the Hermes were shown aerial reconnaissance photographs of the airport at Stanley showing the damage that resulted from the British raid. A spokesman for the Defense Ministry said the photographs would be released in London as soon as possible.

Completely Closed

He said a bombing raid on the airport Saturday had left the runway cratered and unusable for transport planes.

"A further sortie was made Tuesday to render the airstrip unusable to light supply, communications and ground attack aircraft operating from the Falkland Islands themselves," he told the House of Commons.

Before the British destroyer was hit Tuesday, there had been mounting concern that the sinking



In a picture radioed Tuesday from the British task force vessel Canberra, a Royal Marine practices helicopter winch landings.

British Destroyer Is Lost In Atlantic; Jet Shot Down

(Continued From Page 1)

A British submarine that sank the Argentine cruiser.

A group of Labor Party members of Parliament led by two prominent left-wingers, Tony Benn and Dame Judith Hart, proposed a motion in the House of Commons demanding an immediate truce with Argentina.

Foreign Secretary Francis Pym earlier told Dame Judith, who is chairman of the Labor Party, that there could be a truce if Argentina withdrew its troops and agreed without prejudice to negotiations on the future of the Falklands, long claimed by both countries.

The foreign secretary added that Britain was still seeking a diplomatic solution and not military humiliation of Argentina.

Vociferous Critics

The cease-fire motion has 53 signatures so far and supporters said they hoped they would eventually get about 70 from among the 239 Labor members in the 635-seat House of Commons. However, there is no guarantee that it will be debated in Parliament and forced to a vote.

Dame Judith and Mr. Benn have been vociferous critics of the government over the Falklands and repeatedly demanded that the task force be recalled.

Explaining Britain's new attacks Tuesday on the Stanley airfield, Defense Minister John Nott said, "Further sorties were flown Tuesday to make Port Stanley airfield unusable to light aircraft. Goose Greaves also has been attacked and effectively put out of action."

Mr. Nott said the second attack was made on Stanley on Tuesday to render the airstrip completely useless.

He said a bombing raid on the airport Saturday had left the runway cratered and unusable for transport planes.

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West Europeans Call for End To Hostilities in Falklands

(Continued From Page 1)

support of Britain to an evenhanded attitude toward the two countries was seen in several capitals.

Governments that had earlier condemned Argentina and backed Britain now criticized both countries, and their comments appeared to reflect a marked shift in emphasis following reports that hundreds of sailors might have died in the sinking of the Argentine cruiser.

Chancellor Helmut Schmidt of West Germany and Premier Francisco Pinto Balsemão of Portugal, meeting in Bonn, expressed their concern over the widening war.

Chancellor Bruno Kreisky of Austria said that Argentina was clearly and unmistakably to blame for the crisis but that Britain was clinging to old colonial principles.

In Rome, a government source said, "We very much hope that the events of the last 24 hours, terrifying as they are, might after all shock both sides into willingness to compromise." About 40 percent of the Argentine population is of Italian origin.

The Spanish, Swedish and Norwegian governments all expressed regret at the sinking of the Argentine cruiser. The French External Relations Ministry expressed its "consternation."

It also said that on Monday in Szczecin, protesters built a barricade of benches in the central Victory Square and several riot policemen were injured.

At Gdansk, where the Solidarity movement grew out of shipyard strikes in the summer of 1980, several thousand people tried to take over the center of the city Monday and the main police headquarters came under attack. PAP said.

It also said that on Monday in Szczecin, protesters built a barricade of benches in the central Victory Square and several riot policemen were injured.

U.S. Assails Polish Regime

From Agency Dispatches

WASHINGTON — The White House deplored Tuesday the use of force by the Polish authorities against demonstrators on Monday.

"This is a reminder that the demands for free expression have not been met," said Larry M. Speakes, the deputy White House press secretary. "It is imperative that a dialogue be reestablished between the government, Solidarity and the church."

Meanwhile, Secretary of State Alexander M. Haig Jr. said Poland may suffer total economic collapse if it does not lift martial law and meet the West's other conditions for lifting economic sanction imposed after the declaration of martial law.

He told a Senate subcommittee that the effects of the West's cutoff of credit "are becoming increasingly onerous" because the Soviet Union has had difficulty in taking over Poland's financial burden. "It is our view that if this situation continues there could be total economic collapse in Poland," he said.

A police spokesman said that at least three men were involved in the shooting and that they had escaped in the hijacked truck they were driving. The truck was abandoned about a mile away. No one claimed responsibility for the shootings.

The ambush took place on the day before the anniversary of Bobby Sands' death. Mr. Sands, 27, and nine other Irish Republican Army inmates in the Maze prison in Belfast starved themselves to death in an attempt to gain political-prisoner status for those convicted of terrorism.

A police spokesman said that West Belfast was quiet Tuesday but that police were prepared for protests in the heavily Catholic district to mark the anniversary.

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An American Is Said to Die In Salvador

He Reportedly Fought Among Rebel Forces

From Agency Dispatches
SAN SALVADOR — An American fighting alongside rebels in El Salvador was killed during the government's offensive near the Honduran border, leftist guerrillas claimed Monday.
Radio Venceremos said that Joseph David Anderson, who had been working as a journalist and writer while aiding the rebels in their fight against the U.S.-backed regime, was killed April 27.
Mr. Anderson used the name of Pepe and later Lucas, the radio said. He first came to El Salvador as a student at the National University in 1980, it added. It did not say where he was from in the United States.
While living in the working-class neighborhood of Mejicanos in San Salvador, Mr. Anderson joined the leftist Popular Organizations and participated in the guerrillas' unsuccessful "final offensive" in January, 1981, before moving to rebel camps in Morazan province, the radio said.

Caused a Casualty
On the morning of April 27, "Lucas" moved toward the front lines of fire to take photographs. He took his camera and his backpack and grabbed a rifle, causing a casualty among government soldiers, the radio said. "Afterward he fell wounded."
There was no independent confirmation of the radio report.

El Salvador's new president, Alvaro Magaña, Monday called on negotiations with the country's leftist rebels as a means of ending the country's civil war.
Mr. Magaña said, however, that a "dialogue" with the left might be arranged, possibly through third parties such as the Roman Catholic Church or a foreign country.

Asked what he considered as the difference between dialogue and negotiation, the new president said: "Dialogue is to talk. To negotiate is a little bit more." As for how much more, he said, "That's a good question, and I don't have a good answer."

Mr. Magaña made his remarks at a news conference at the Presidential Palace, his first press meeting as provisional leader of the country. He was flanked by his three vice presidents, who remained silent throughout the proceedings.

He said that an amnesty for guerrillas who turned themselves in was under consideration within a "larger scheme" to end the war. But he added that any plan for dealing with the guerrillas would have to await a decision by representatives of the major political parties.



Nevada prison officials inspect a helicopter built by inmates.

Inmates' Secret Helicopter Has U.S. Warden in a Whirl

United Press International
CARSON CITY, Nev. — The state prison warden thought it was bad enough to find inmates had bugged his offices, but the discovery that they had also been quietly building a helicopter may have topped it.
"I hate for this place to be the laughingstock, but there are a lot of bones buried here," George Sumner said Monday in an-

nouncing the discovery that convicts have for several years been building a mini-helicopter in the prison. The chopper was pieced together in the prison's maintenance shop and needed only the top blade to be complete.
Mr. Sumner said some past administrations knew about the

"project," but did not place much significance on it. But "just having a helicopter in the prison is ridiculous," Mr. Sumner said.
Last year, on his arrival from California's San Quentin Prison, where he had also served as warden, Mr. Sumner discovered that some of the Nevada prison's offices had been bugged by inmates.

Senate Budget Committee Leader Offers His Own Plan to Cut Deficit

United Press International
WASHINGTON — While admitting that the proposal had little backing, the chairman of the Senate Budget Committee has offered an alternative U.S. budget that would freeze domestic spending, trim the military budget and boost taxes by \$125 billion over three years.

Termed the proposal a "bold plan" and stressing that it had the blessing of neither the White House nor other Republican leaders, Sen. Pete V. Domenici, Republican of New Mexico, said Monday that his budget would reduce the deficit in 1983 from a projected \$233 billion to \$19 billion.
"Such a decline in projected deficits would have an unprecedented

impact on the nation's economy," he said.
In congressional testimony Monday, Treasury Secretary Donald T. Regan said interest rates would remain high unless something was done to reduce "enormous deficits" forecast for the next few years.

Savings of \$228 Billion
President Reagan's original 1983 budget has been under attack because of a projected deficit of \$101.9 billion. Congressional budget experts contend the deficit will be even larger.

Sen. Domenici said that by freezing domestic spending levels for a year he would save \$228 billion through 1985. His \$125 billion

in extra taxes is more than what President Reagan offered to accept during recent budget negotiations.
Included in Sen. Domenici's plan is a one-year freeze of Social Security and other benefits, which comprise a large and highly controversial portion of the U.S. budget.

"I still believe this is the best approach to the problems that this country has," he said. "I don't think senior citizens will resist a one-year freeze because it would practically assure the solvency of the fund."

Little Support
Sen. Domenici said he outlined his proposals to other Republican leaders and to President Reagan, during a White House meeting Monday. Although little support was expressed, Sen. Domenici said, "No one said, 'Don't present it, Senator.'"

After the meeting Monday with President Reagan, Sen. Howard H. Baker Jr., the Senate majority leader, said, "It is still my hope that we could go back to the table" to negotiate a budget compromise with Rep. Thomas P. O'Neill Jr., the Massachusetts Democrat who is speaker of the House. The negotiations broke down last week.

Sen. Baker, a Tennessee Republican, said he would contact Rep. O'Neill soon to arrange a meeting. But an O'Neill aide, Chris Matthews, was skeptical. "It's like clockwork," he said. "Every time the Republican Senate is about to begin markup of the budget, Sen. Baker talks of compromise with the Democrats."

"Republicans won't vote for the Reagan budget, and he knows it," Mr. Matthews said.
Sen. Baker told reporters he expected to have a budget resolution on the floor of the Senate for a vote by May 15.

Captain Is Killed Off Spain
LA CORUNA, Spain — The captain of a Spanish trawler was killed and seven crew members were missing after the vessel sank following a collision with an Iraqi freighter off this northwestern Spanish town, maritime authorities said Tuesday.

Drive Develops in Congress to Revive SALT-2

By Judith Miller
New York Times Service

WASHINGTON — Several members of both houses of Congress and some former high government officials, spurred by the campaign to halt the growth of nuclear arsenals, are pressing for a revival of the 1979 strategic arms treaty.

Three members of the Senate Foreign Relations Committee, which opened hearings last Thursday on how to slow the nuclear arms race, have called for Senate approval of the treaty, also known as SALT-2.

Sen. Charles H. Percy, Republican of Illinois and chairman of the committee, said that although ratification would raise "difficult questions," a "less formal and possibly less divisive mechanism for keeping the current de facto restrictions in place would be advised."

Renewed interest in the treaty is one of many congressional responses to public calls for arms control. About 25 resolutions have been introduced in Congress on reducing Soviet and U.S. atomic arsenals and preventing a nuclear war by accident or miscalculation. The Foreign Relations Committee, attempting to produce a compromise measure for Senate debate, is examining 10 proposals.

The Reagan administration has been abiding by the terms of the treaty but opposes efforts to formalize its observance. President Reagan vigorously opposed the treaty during his election campaign, and his administration plans to present its own proposal soon for sharply reducing U.S. and Soviet strategic forces.

Afghan Intervention

The treaty, which limits strategic offensive weapons, was signed by the United States and Soviet Union in June, 1979, but was never approved by the Senate. President Jimmy Carter asked early in 1980 that the Senate stop considering the accord after the Soviet intervention in Afghanistan in December, 1979, and prospects for Senate approval.

While many senators privately doubt that the treaty would receive the two-thirds majority required for Senate ratification, a growing number of arms control and military specialists have urged the revival of the accord as an interim arms control measure that could take effect quickly.

Former Defense Secretary Harold Brown and James R. Schlesinger, who served in key posts in the Nixon, Ford and Carter administrations, urged Friday that the treaty be re-examined. Even a former critic, Sen. Sam Nunn, Democrat of Georgia, said Friday that he would "look positively" on an effort to revive the accord.

Among the initiatives the Foreign Relations Committee is considering is a proposal by Sen. Henry M. Jackson, Democrat of Washington, and Sen. John W. Warner, Republican of Virginia, that has

been endorsed by the administration. It would permit a continued military buildup while the administration negotiated arms reductions with the Soviet Union.

Also being considered is a proposal sponsored by Sen. Edward M. Kennedy, Democrat of Massachusetts, and Sen. Mark O. Hatfield, Republican of Oregon, that calls for the United States and the Soviet Union to negotiate a freeze in nuclear weapons at current levels now followed by reductions in force.

Proponents of the 1979 treaty say it is a good arms control agree-

ment that the Soviet Union has already endorsed. If in force, they note, the 1979 treaty would require the Russians to reduce about 250 strategic systems, about 10 percent of their forces. Moreover, the proposal is useful politically, they say, because Democrats could continue to press for ratification or more formal acceptance of the treaty's terms even after the administration unveiled its strategic arms proposal.

Opponents say that reviving the accord would reopen old wounds in the Democratic Party, which was bitterly divided over the ac-

cord. Supporters of the freeze say the treaty would divert attention from their initiative.

Nevertheless, proponents are trying to find a way to force consideration of the accord.

Senators reportedly favoring ratification include Gary Hart of Colorado, Joseph R. Biden Jr. of Delaware, and John H. Glenn Jr. of Ohio, all Democrats. House members said to be working on ways to gain backing for the terms of the treaty include Jim Leach, Republican of Iowa; Thomas J. Downey, Democrat of New York; and Les Aspin, Democrat of Wisconsin.

U.S. Lists Conditions for a Summit But Says It Has No Specific Plans

By Lou Cannon
Washington Post Service

WASHINGTON — White House officials say that any summit meeting this year between President Reagan and Soviet President Leonid I. Brezhnev depends, in effect, on the behavior of the Russians.

"President Reagan has made it clear that our longstanding criteria for a formal summit meeting remain in place, that is, it would have to be, first, carefully prepared; second, it would have to be justified by the overall state of our relations at the time; and, third, hold reasonable prospects for positive results," Larry M. Speakes, the deputy White House press secretary, said in a prepared statement Monday.

But Mr. Speakes emphasized that the president still wants to meet Mr. Brezhnev in June in New York, where Mr. Reagan will go to address a United Nations disarmament conference.

Reagan's Suggestion

During a meeting April 4 with reporters, Mr. Reagan said he hoped Mr. Brezhnev would attend the UN meeting and suggested that the two leaders meet there. Mr. Brezhnev, 75, who has been in ill health, rejected the offer two weeks later and called instead for the October summit in Europe.

Though Soviet leaders have repeatedly expressed interest in a summit meeting, there is no sign that they took seriously the offer of a meeting in New York. Even Reagan administration officials admit that it would be difficult to prepare for a June meeting in New York, especially since Mr. Reagan will spend the first part of the

month on a long-planned trip to Europe.

An administration official said Monday, however, that the president "liked the idea" of the New York meeting and wanted it known that he did not consider the Soviet rejection to be final.

No Formal Invitation

Mr. Speakes said Monday that the president had not formally invited Mr. Brezhnev for the New York meeting. He said this would be done if Mr. Brezhnev accepted the UN invitation to attend the disarmament conference.

The imponderable in the behind-the-scenes maneuvering about the summit is Mr. Brezhnev's health. Administration officials privately acknowledge that they do not know whether the Soviet leader would be able to withstand the rigors of either a trip to New York or an October summit in a European country.

Administration officials also stressed the need that any summit be properly prepared, a point that also has been made by the Russians. This would seem to argue against any June meeting.

Austria and Ireland have been mentioned in discussions in the administration as possible sites for a summit meeting.

Compromise Reached in Congress On Extending Voting Rights Act

By Mary Thornton
Washington Post Service

WASHINGTON — After months of bickering, a bipartisan group of Senate Judiciary Committee members have agreed on a compromise that would dramatically strengthen the 1965 Voting Rights Act and virtually assure quick agreement this year on an extension. President Reagan immediately announced that he would endorse the compromise.

"Voting is one of the most cherished of our birthrights as American citizens," Mr. Reagan said. "When practiced, it enriches our democracy. When threatened, it must be protected."

The compromise, which was reached Monday, is supported by civil rights groups, including the National Association for the Advancement of Colored People and the Leadership Conference on Civil Rights, and by about 70 senators, ranging from liberal Democrats to conservative Republicans.

The agreement, worked out by Sen. Robert J. Dole, Republican of Kansas; Sen. Edward M. Kennedy, Democrat of Massachusetts; and Sen. Charles McC. Mathias Jr., Republican of Maryland, would prohibit state and local officials all over the country from using any voting practice or procedure that results in discrimination against blacks and other minorities.

That standard is considerably easier to prove than the one in effect since a 1980 decision by the U.S. Supreme Court — that the law is violated only when state or local officials consciously intended to discriminate.

There was general agreement that the act needed to be extended. But the administration up until Monday had argued against the so-called "results standard" on the grounds that it could lead to lawsuits calling for proportional representation by race in municipalities all over the country.

Last October, the House voted 389-24 for a bill that included the results standard. That bill contained specific language providing that proportional representation could not be required.

The compromise approved Monday goes beyond the House

version of the act. It would extend the act for five years, until 1992, and would prohibit state and local officials from using any voting practice or procedure that results in discrimination against blacks and other minorities.

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CONCORD DELIRIUM MARINER

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Traveling through Europe can be a moving experience—and you want to stop just long enough to tell your family and friends about it. Check out the money-saving tips below, then give them a call. It's the first-class way to reach them—at bargain rates.



Bell System

Save on surcharges. Many hotels outside the U.S. charge exorbitant surcharges on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel surcharges reasonable, go ahead and call. No Teleplan? Read on!

There are other ways to save money. Save with a shortie. In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. And you pay for the callback from the States

with dollars, not local currency, when you get your next home or office phone bill.

Save these other ways. Telephone Company Calling Card and collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or you can avoid surcharges altogether by calling from the post office or from other telephone centers.

Save nights & weekends. Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable. Now you'll get more mileage for your money.

The Reagan Crew at Sea

A great venture came to a sour climax last week when the Reagan administration cast one of four votes against the Law of the Sea, which U.S. diplomacy helped initiate. This ambitious charter aims to bring harmony out of discordant territorial claims and remove from legal limbo the seabed wealth of copper, nickel, cobalt and manganese.

The treaty is a rare accommodation of global interests and ideologies, striking innumerable practical bargains. As the final vote showed, no bloc prevailed: 130 in favor, four against, with 17 abstentions—including Britain and West Germany in deference to Washington and the Soviet bloc hoping for better economic terms.

Eight years of diplomacy is left even more confused than ever.

Paradoxically, this attempt to transcend dogma ran into an ideological barrier in Washington. The Reagan administration said that the treaty amounted to an economic giveaway and that its legal terms were superfluous, since the United States would claim them in any case.

On these very counts, however, the merits argued for the treaty. As the negotiators of four U.S. administrations wanted, it guarantees passage through strategic straits, and creates a uniform 12-mile (19-kilometer) limit on territorial waters and an additional 200-mile "exclusive" economic zone.

Once ratified, it is said, these norms will become part of "customary" law and therefore applicable to all countries, including those who do not sign. But these terms were

the result of many compromises that included new rules for sea mining. They will not be cheerfully granted to non-signers who want to pick and choose.

What rankled the Reagan administration was the idea that seabed mining would be managed by an international authority, licensing private mining consortiums and cutting itself in on the profits. Washington resented this concession to nations that would otherwise never get at the sea's wealth.

Yet, ironically, some kind of agreement would actually benefit private U.S. miners. They, and the banks that lend them money, want clear title to seabed wealth. As long as that title is clouded, they are unlikely to make the heavy investments required. On this sensible ground, even some administration officials gradually modified their hostility. But not enough.

Others seized on blemishes in the charter and even exaggerated them. They raised some valid questions about technology transfers and procedures for amending the treaty—issues that might have been compromised to a different atmosphere.

No nation can come away fully satisfied from a negotiation involving 150. It is difficult to believe even now that further negotiations are impossible before more than 100 sign the accord in December. Without the assent of the United States and a few other major sea powers, the treaty can actually become a new source of strife. A farsighted administration would not now abandon such a worthy vessel.

THE NEW YORK TIMES.

The Generals' Dilemma

British forces appear to be taking relentless control of the air over the Falklands and the seas around them. This sharpens the principal question facing Argentina's generals. By seizing the Falkland Islands, they committed a political blunder assuming that they would not receive assistance even from the few countries that might be inclined to offer at least rhetorical support. They may have committed a military blunder as well. The Argentine forces are now being cut up and isolated. How do the generals mean to get their country out of this fix?

They are caught between the military facts, which counsel a diplomatic settlement, and the political facts at home, which indicate that the honor of the military, or at least the tenure of the current leaders, may not survive a settlement. What a pity that the generals failed to contemplate that dilemma before April 2, when the Falklands were invaded. It is a typical mistake of a dictatorship that has deprived itself of the democratic mechanisms of debate and inquiry.

No outsider can be sure how the generals will resolve their dilemma. Will the losses goad them to stay in battle and refuse accommodation? Or could these losses possibly be portrayed as the price a brave nation paid to defend its honor against overwhelming odds? There is an element of mystique in Argentina's politics, and on this may depend the response to Britain's methodical Anglo-Saxon tightening of the screws.

Regrettably, Argentina rejected the mediation being offered by Peru's president, Fernando Belaúnde Terry, over the weekend. That put the generals in the foolish position of turning away from a Latin initiative, one made by a statesman who in no way can be characterized as a U.S. puppet.

Fortunately, there are signs that some of the leaders in Buenos Aires remain interested in the Belaúnde initiative. That would seem to offer Argentina what hope exists for minimizing the damage it did to itself by its heedless aggression.

THE WASHINGTON POST.

Other Opinion

Cashiers of the World, Unite

Ever diligent in alerting its readers to the depredations of the capitalist system and the exploitation of the U.S. working class, the Soviet press has now cast a cold eye on McDonald's, a "café," writes an Izvestia correspondent from some unnamed site in deepest California, "specializing in selling sandwiches with meat patties."

The reason for the fast-food chain's success, he writes, is that it makes its young employees "work in a wild rhythm." But no matter how vigorously they whirl and stomp as they dish up burgers and fries, the workers can't beat the system. That's because their company-issued uniforms have no pockets in which "to hide tips." Indeed, the company seizes all tips because it wants "all the earnings up to the last cent."

A call to the McDonald's people confirmed that their uniforms have no pockets—they're neater that way—but that part about tips puzzled them, and, um, maybe we've been unfairly cheating wildly rhythmic young workers all these years, but we have never tipped at McDonald's or any other fast-food place, and we have never seen anyone else do so. Who's to tip? The girl at the cash register? The kid with the mop?

Why A. Palladin chose to say nothing about the quality and availability of food at McDonald's is obvious. Russians who have to stand in line for hours to buy food would not think better of their system if they were reminded how things are elsewhere.

Despite their sensitivity, the Soviets may be making a mistake in badmouthing American fast-food restaurants. The smarter thing to do would be to invite them in. That would help alleviate food shortages, while the treasury would benefit from a share of the filthy profits. The government could even keep all the tips.

To be sure, American chains would probably have to alter their names somewhat to blend in with the local culture. Commissar Sanders and his Crimean Fried Chicken

would not doubt be a hit. McDonald's could feature a Big Marx sandwich. And how about Pizza Hovel, or . . .

—From the Los Angeles Times.

Enough Fighting in Falklands

With recent air raids and the sinking of warships, the Falklands conflict has gone far enough. Western public opinion is little exercised about the dozens and perhaps hundreds of Argentines who might be dead. Only British losses presumably will lead to a more fundamental debate about the disproportionate costs of this battle over the islands.

—From the Tages Anzeiger (Zurich).

Sampler on Calls for Arms Freeze

America is turning its back on the president it elected by a landslide. . . . The new motto is "freeze."

—From Der Spiegel (Hamburg).

Intellectually, the "reformers" commit an error: They postulate that the Soviets think the same way we do.

—From L'Express (Paris).

The positive response of influential politicians in the West . . . strengthens faith in the potential . . . for arms control success.

—From Izvestia (Moscow).

It is a grave threat to world peace that the U.S. and the Soviet Union are continuing their nuclear arms race despite mounting international clamor for disarmament.

—From the Asahi Shimbun (Tokyo).

The demonstrations . . . remind politicians and negotiators that in the end a simple and crucial matter of life and death is at stake.

—From the Sydney Morning Herald.

The heightened tone of accusations against [the Soviets] and the presumably deliberate slowness to initiate an arms dialogue . . . have been turned against Washington.

—From El Mercurio (Santiago).

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May 5: From Our Pages of 75 and 50 Years Ago

1907: Concentration of Wealth

WASHINGTON—Nothing is more generally believed than the cry of the "yellow" Socialist press that the wealth of the United States is being rapidly concentrated. An examination of the Massachusetts Surrogate records from 1829-1831 will show that there was actually more concentration of wealth to 1829 than in 1906. In 1848 John Jacob Astor was worth \$25 million, the richest man in the nation. His wealth then was a much larger slice of the total wealth of the nation than is the wealth of John D. Rockefeller today. Again, the increase in the number of Astors has been much more rapid than the increase in wealth; the average wealth of each Astor today is about \$10 million.

1932: Not More, but Better

NEW YORK—Returning from a world cruise, Prof. Henry F. Osborn, president of the American Museum of Natural History, declared that a "wise and judicious depression" in the world's birthrate would solve the problem of the world's economic depression. At every port he visited, he said, overpopulation, overproduction and unemployment were evident. "I return impressed with the principle of not more, but better representatives of every race. This is true for the American nation as well as foreign stocks." Prof. Osborn described himself as an adherent of the theories of Sir Francis Galton on selective breeding and described Bertrand Russell and Mrs. Margaret Sanger as "propagandists."

Not Even Executions Can Stem Tide of Soviet Corruption

By Leopold Unger

BRUSSELS—For the first time since the trumped-up political trials of 1949-53, a member of the Soviet establishment belonging to the central core of the Nomenklatura that has taken over the rule of Russia for the last 60 years has been shot by a firing squad.

The scandal that led to the execution of Vladimir I. Rytov, a deputy minister of fisheries, was never announced in the Soviet press, though Pravda published a report on the execution in its April 27 issue. The only public hint of a problem had come in February, 1979, when Minister of Fisheries Alexander Ishkov was summarily retired and his assistant and a number of aides were dismissed. Yet the whole story deserves more publicity than it got.

The Ministry of Fisheries was for 10 years the headquarters of a gang that operated an illegal traf-

fic in caviar. The caviar was put into seven- or 12-pound tins labeled "smoking herring," and sold as such to a major Western firm.

The Western firm sold the caviar at its market value and shared the millions of dollars in profits with its Soviet accomplices, placing the funds in Swiss bank accounts. From time to time, top-ranking Soviet civil servants would travel to the West to spend what they could from those accounts.

All Soviet citizens know that the death penalty can be applied for economic crimes, just as they know the extent of corruption that has become a fact of life in Soviet society. The death penalty for corruption, made legal under Stalin in 1932, was abolished and re-established several times, but never really ceased being applied.

It was most frequently used during the great famine of the 1950s and beginning of the 1960s, when Nikita Khrushchev applied it mostly against Jews who had sought to emigrate. It is now used against about 500 people a year. Most are convicted murderers or Nazi collaborators. An unverifiable number of those executed (some observers say as many as 10 percent) are put to death for economic crimes.

Among recent executions for corruption were those last March of Sultan Abasov, the chief executive of a textile plant in Azerbaijan, and his accomplices, including a justice ministry inspector and a public prosecutor. They were found guilty of transforming the textile plant into a "private enterprise" and embezzling 2 million

rubles (about \$3 million). Y.A. Kobakidze, a former district president in Soviet Georgia, was executed in June, 1981, for receiving bribes for favored housing allotments.

In spite of this dire punishment, corruption has never disappeared from everyday Soviet life. The permanent state of scarcity and the low levels of salaries have led to a situation in which everyone tries to get something more out of any deal that is made; the institution of the *wziyatska*, as *baksheesh* is known in the Soviet Union, has become the norm.

Although corruption is rampant at all levels of Soviet society, information on prosecution and punishment for bribery has been restricted to that concerning small-time racketeers. When, for example, Vali M. Javanadze, a former first secretary of Georgia and a member of the Politburo in Moscow, was fired for corruption and replaced by his former KGB chief, Eduard Tchekvadadze, nothing on the affair was printed in the Soviet press, although at least 50,000 people were arrested in the subsequent police investigation and roundup.

When Ekaterina Furtsava, a former minister of culture, was dismissed for similar reasons (a luxurious villa built at the taxpayer's expense), she was discreetly retired under the best of conditions.

Thus, the publicity surrounding the Rytov affair, limited as it was, is an innovation, and an indication that the middle level of the ruling caste can be called to justice. It is all the more interesting since the public announcement of Rytov's execution came after a series of scandals and rumors that affected the Moscow Nomenklatura.

These included the dismissal of Gen. Konstantin Zolov, a former head of the passport bureau, and the mysterious death of Gen. Semyon Tsvigun, a deputy minister of the interior and brother-in-law of Leonid Brezhnev. The general reportedly killed himself just

before the start of a probe into corruption among the elite of Moscow society.

Statistics concerning economic crimes and the extent of corruption are state secrets in the Soviet Union. The examples made public are always presented as individual cases, totally independent from any other, so it is difficult to link the cases and form any idea of the importance of this national scourge. According to the human rights activist Andrei Sakharov, corruption affects about 10 percent of the Soviet gross national product. This would be a huge figure, but not an impossible one.

There are several signs indicating that the situation is very serious. The press has recently taken to publishing news of public trials. Last September, the criminal code was altered to increase the penalty for corruption, and in November a confidential letter from the party Central Committee on the subject of corruption was read at closed-door meetings of local party cells.

In January, a new deputy minister was assigned to the Department of the Interior: Boris Zolotov, who until then had been head of the anti-corruption department.

It was Lt. Gen. Yuri Churbanov, the chief minister of the Interior Ministry police, who announced the prosecution of Zolotov. Churbanov is the husband of Galina Brezhnev's daughter, whose name was often mentioned in the recent rumors about scandals in Moscow. Repression is striking high, striking home, but there is no reason to believe it will succeed in stamping out corruption.

Official repression should be able to get rid of corruption, which is nothing more than a cancer on the otherwise healthy body of Socialism and the remainder of a bourgeois mentality that has disappeared in the Soviet Union. But the real situation is something else again: Endemic scarcity and a bureaucratic system based on favoritism, arbitrariness and special privilege cannot result in anything but widespread fraud and corruption.

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Severe Third World Debt Problem Puts IMF in Quandary

By Jonathan Power

LONDON—Not since 1975, in the wake of the first great oil price rise, has the debt problem of the Third World looked so fraught with danger. The commercial banks, which are desperately trying to overcome the near defaults of their East European borrowers and now the complications of the British freeze on new lending to Argentina, are not well placed to receive the coming shocks from the Third World.

Does this mean the International Monetary Fund will have to undergo a revolution of similar magnitude to its 1980 revolution? In 1979 the Iranian crisis sent oil prices soaring again. To the developing countries that had managed to survive the first oil price increase, it looked as if the only way to survive the second would be to reduce their economic growth to zero, with all the consequences that such a move would pose for political stability in numerous combustible corners of the world.

The IMF, it was argued then, was fueling the flames by telling developing countries that they must tighten their belts, devalue, and control the money supply. What was worse, said the critics, who included not just Third World countries but the banks, who felt dangerously overexposed, was that the IMF was being repaid more than it was lending to the Third World. Between 1974 and 1980 the IMF had provided a miserly 2 percent of the developing countries' financing requirements.

The chorus of criticism was too widespread to be ignored. It is to the great credit of the IMF's managing director, Jacques de Larosiere, and the Carter administration that the IMF changed course dramatically. In the short span of 16 months, starting in early 1980, the IMF made new loan commitments of \$15 billion, virtually all to developing countries. This was more than the total it had lent over the previous seven years.

The fund was able to step up its lending sharply because it was relatively free of the high interest rates industrial countries had not needed to draw on IMF resources and partly because when its coffers began to run dry it pulled off the coup of persuading Saudi Arabia to lend it some \$10 billion.

The IMF also loosened up the terms of its loans, its so-called "conditionality," and dropped many of the economy-wrenching conditions it had traditionally demanded. Devaluation, draconian budget cuts and a forced rise in domestic interest rates were no longer the inevitable quid pro quo. Repayment periods were significantly lengthened as well.

All this was going into effect just when the Reagan administration came into office. When a major loan went to Pakistan, U.S. Treasury Undersecretary Beryl Sprinkel told the Wall Street Journal, "We want to push IMF's conditionality back to where it was."

And in the decision to lend \$5.8 billion to India, the United States abstained on the vote and implied that, the next time, it would vote against.

The mood at IMF headquarters is now returning to its traditional caution. Yet the debt situation has never looked so bad, not even in 1979. Developing countries' reserves as a proportion of their imports are almost back to the low levels of 1975. There is a worrying large number of countries with reserves less than the value of three months' imports, which is widely thought in banking circles to be the minimum acceptable level.

And 1982 is not 1975. In 1976 the world economy was well on its way to recovery and the developing countries exported their way out of trouble. Today the recession appears to be deepening, world trade is contracting and commodity prices have plummeted. Of course, on the positive side, oil prices have fallen; yet a 1-percent change in interest rates causes more impact than does a 1-percent change in oil prices.

The Reagan administration's decision to tolerate high interest rates is imposing crippling burdens on Third World debtors. This anti-in-

flationary strategy keeps the London interbank rate at closer to 20 percent than 10, making a difference of as much as \$15 billion in interest payments in a single year.

The IMF is in a quandary. If the U.S. economy does not turn around soon, if interest rates stay high and if the world economy continues to contract, a number of developing countries will not be able to avoid default—with all that this implies for the stability of the banking system. On the other hand, if the economic clouds are so black that it is difficult to see im-

provement, should the IMF be handing out money without the clear certainty of repayment?

Already the IMF is finding that a number of its African borrowers are giving it great cause for worry. But many observers think the fund has no choice—it has to engage in another revolutionary step. It must consider a new allocation of special drawing rights (the IMF's own line of credit) of perhaps as much as \$10 billion, and increase its quotas by 50 percent to improve the fund's holdings of usable foreign currencies for lending.

In the next few months this debate is going to surface. So far it has taken a back seat as bankers and Romanians loans and the course of President Reagan's economic management. Yet the developing countries' time bomb is ticking away, and if a remedy does not appear soon—either a breakthrough to the U.S. economy or an IMF initiative—there is going to be quite an explosion.

The writer is editorial adviser to the Independent Commission on Disarmament and Security Issues.

Letters

Private Sector Role

Regarding the article by Claudia Wright, "New U.S. Aid to Tunisia: Seeds of Disaster" (IHT, March 17): President Reagan's obsessive preoccupation with the security problems in the developing countries is more likely to undermine the security of these countries, whose difficulties mainly stem from economic problems. While insisting on the private sector to play major role in development assistance, the U.S. administration has stepped up government military assistance. Why not let the private sector take up the role of arms suppliers, which they are doing with great success in some cases, and the U.S. government concentrate on pressing domestic issues? In any case, America would do a great favor to developing countries by not supplying arms to these fragile economies. The same is applied to the Soviet Union.

Geneva. M. ELAHI.

The Original Car

Regarding "A Slice of the Holocaust: Crimes Against the Future" (IHT, March 29): Flora Lewis is wrong in stating that the original railway car in which the German defeat of 1918 and the French

defeat of 1940 were documented is still standing in the clearing of Compiègne. The original railway car was brought by the German authorities during World War II to Berlin and destroyed by an Allied air raid afterwards. The railway car which nowadays can be seen in Compiègne is a copy, i.e. a railway car from the same series.

WOLFGANG GRUPP, Mainz, West Germany.

More on Wives

Ms. L.W. Vonk (Letters, IHT, March 9) wants to know what the differences are between a diplomat's and an executive's wife. Many significant ones come readily to mind. Diplomats' wives can only rarely earn money abroad; executives' wives frequently can. Executives enjoy the new \$75,000 exemption for salary in U.S. income taxes, while diplomats do not. With the exception of admittedly inadequate allowances, diplomats' salaries are the same everywhere, and almost universally much less than those of American executives. Modern representatives' allowances are usually reserved only for the most senior embassy staff; the majority of officers are obliged to entertain frequently out of their own pockets.

ROBERT F. ILLING, Oporto, Portugal.

Taxation Abroad

Regarding the article by Robert Siner (IHT, Feb. 15) on possible tax increases for U.S. citizens living abroad:

This arbitrary action by the Senate Finance Committee is yet another in the long congressional history of discrimination against Americans abroad. It is yet another reason why U.S. citizens abroad should have their own congressional representation if taxed.

SANFORD G. HENRY, Committee for Representation of Americans Abroad, London.

The Losers Were the Winners in Law of Sea Treaty Vote

By William Safire

WASHINGTON—Obscured by intercontinental war and intragovernmental budgetary bickering, the most historic moment of last week—the vote on the Law of the Sea Treaty—ended in a victory for free enterprise.

For the past decade, Third World nations have been trying to establish their New World Economic Order by insisting that the earth's resources were the "common heritage of mankind."

That ringing phrase concealed a fundamental attack on political philosopher John Locke's concept of property. Locke, and later followers like Thomas Jefferson, held that the unknown and undiscovered became the property of the person with the wit and courage to find and add his labor to it.

Not so, said the Third World Socialists and oligarchs. The treasure that lay beneath the open sea—and ultimately those in outer space—which now belong to nobody, should belong to everybody. "Mankind" meant the world's governments, and their theory meant that exploration and discovery would, in the future, be managed by governmental bureaucracy.

To obtain this political stranglehold on the next generation's economy, Third World countries offered industrial nations confirmation of what custom had already given them: free passage through straits. They also promised an end to nuisance claims of sovereignty for hundreds of miles out to sea.

Meekly, the guilt-ridden industrial nations moved to comply with

what seemed to be the ocean wave of the future. At the urging of U.S. sea-law negotiator Eliot Richardson, Henry Kissinger in 1976 offered a compromise that subverted Lockian principles: Half of the mining was to be done by free enterprise, and half by a supercartel run by unaccountable international bureaucrats.

That was a horrendous blunder, which would have opened the way to a self-financed supernatural authority that could rewrite the rules 20 years later, taking over completely without further U.S. Senate ratification.

At the 11th hour, with Reagan in place, the U.S. government woke up. Basic principles were belatedly asserted, objecting to the forced sale of technology, and the blank check—in conflict with the U.S. Constitution—approving amendments in advance.

But the momentum to sign after eight years of negotiation was immense, and it appeared that Washington could not find one nation with which to sing "You and Me Against the World." The pragmatists berated the ideologues, despite the fact that the treaty had no practical chance for Senate ratification. Toward the end, U.S. negotiators were afflicted with negotiations, and gave away the right to set production limits.

The United States was saved by two moves. Adm. Bruce Harlow, advised by Philip Merrill of Defense Undersecretary Fred Ikle's

staff, called for a vote on the navigation part of the treaty. Up to then, *ad hoc* deals had been avoided; all was to be done on the basis of consensus, evading responsibility. But this record vote established official worldwide agreement on innocent passage through straits, and thereby removed the Third World's leverage on undiscovered resources.

On this free movement of navies, the U.S. found the Soviet Union on its side; freedom of the sea is valued the most by the nations that have navies.

The second saving grace was the arrogance of the Third World. At the final moment, Eliot Richardson—the ghost of administrations past—surprised the U.S. delegation with a dramatic appearance at the U.S. Mission, pleading eloquently for compromises that would save the foreign policy establishment's child.

The U.S. negotiators wavered. Quickly, Tommy Koh, the feisty pro-Western lawyer from Singapore who headed the conference, tried to bring the Third World over to a point where a deal could be cut. No soap; and thus the greatest boondoggle in the history of the world was averted by the greed of the boondogglers.

The chief of the U.S. delegation, James Malone, approved the speech drafted by Prof. Robert Goldwin (who taught a course on Locke's Second Treatise, which hooked me on this subject) and modified by National Security Council staffer Michael Guhlin. Instead of keeping mum while consensus was announced, the United States called for a vote.

Why call for a vote when you will lose overwhelmingly? Because only in the unreal world of UN politics is a lopsided vote a victory for the losers.

In the real world, economic and military power is with the opposition and the many abstainers on this vote; they will soon make their own agreements recognizing each other's mining claims. On a 130-4 vote, the 130 lost the Third World's holdup fall.

At a time when hard-liners are heart sick at the Reagan administration's lack of resolve in countering the Soviet threat, one of the dwindling band of ideological Reaganians says, "At last, we won one." With that victory, and with its freedom reaffirmed, the great shroud of the sea rolls on as it rolled 5,000 years ago.

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(Continued on Page 20)

BUSINESS NEWS BRIEFS

Compiled From Agency Dispatches

Dome Optimistic on Beaufort Output

OTTAWA — Oil production in the Beaufort Sea will eventually range between 250,000 and 500,000 barrels a day, a level that could return Canada to the role of a net exporter of crude, Bill Richards, the president of Dome Petroleum said Tuesday. He was speaking to reporters after testifying to a parliamentary committee on energy legislation.

His assessment contrasts with that of Energy Minister Marc Lalonde, who last week forecast that Beaufort Sea output would be between 150,000 and 200,000 barrels per day by 1990. Mr. Richards told the committee that the Tarsuit N-44 well, in which Dome has a working interest, "looks to be the best in the Beaufort and one of the best ever in Canada."

Gulf Resources Managers Face Battle

NEW YORK — Alan E. Clure, a British investor, has said he and 11 other investors will wage a proxy fight against the management of Gulf Resources & Chemical and will stand for election in opposition to the company's official slate.

In a proxy to shareholders Mr. Clure said he had "serious concerns about the operating record and future prospects" of the coal, natural gas, and chemicals company. Mr. Clure's move Monday was expected. Gulf Resources' annual meeting is on May 11. The group said it held 15.6 percent of Gulf Resources' shares.

NCC Energy Ends Bid for Simplicity

NEW YORK — NCC Energy, the British oil and investment company, has ended a takeover effort for Simplicity Pattern, the large sewing pattern producer, and is seeking to sell its 20 percent interest.

Plans for a merger were first announced a year ago. In March, Simplicity halted the merger and said it would concentrate on making acquisitions in domestic and foreign oil and gas operations.

Union to Continue Shale Oil Project

LOS ANGELES — Union Oil of California will continue its oil shale project at Parachute, Colo., chairman Fred T. Hartley said, despite Exxon's decision to withdraw from the similar Colony project in Colorado because of escalating costs.

Seagram Official Joins Du Pont Board

WILMINGTON, Del. — Du Pont said Harold Fieldsteel, executive vice president for administration and finance and controller of Seagram, which owns 20 percent of Du Pont stock, has been elected to the board. William Laird, Hugh R. Sharp Jr., and Howard Swank retired from the board Monday, making 29 members instead of 31.

Seagram, a distiller, acquired its Du Pont stake when the two companies were competing last summer to take over Conoco. Seagram exchanged the Conoco shares it acquired during the battle for Du Pont stock.

Anderson Rejects Bid by Charter

LONDON — Anderson Strathclyde has rejected a takeover offer by Charter Consolidated, saying its business would be best served by remaining independent.

Charter is offering 135 pence cash per share for Anderson, valuing it at £64 million. It said it already has a 28.4 percent stake.

RCA Expects Better Results in 1982

NEW YORK — RCA expects 1982 results to be far better than those of 1981, chairman Thomas F. Bradshaw said Tuesday in remarks prepared for delivery to the annual meeting. He said RCA's performance will depend in large measure on the economy. In 1981 the company earned \$45 million on sales of \$8 billion.

Commenting on speculation about a possible takeover and subsequent sell-off of RCA assets, Mr. Bradshaw said such a move would not be in the interests of the shareholders and would be resisted. Bendix recently acquired 5.5 million RCA shares.

Volkswagen of America Cuts Prices

TROY, Mich. — Volkswagen of America said Tuesday it will immediately reduce prices of new cars and trucks by up to 9.4 percent until October, end of the model year. A spokesman said the company acted to "reduce dealer stocks and improve sales."

Saudis Purchase Stake In W. German Group

By John Tagliabue
New York Times Service

BONN — Saudi Arabian group, in a major Arab entry into West European industry, has acquired a 17.87 percent share of IHH Holding, the West German construction machine group that is partly owned by General Motors.

The acquisition will make the Saudis and General Motors the largest IHH shareholders, with equal participation. The deal with the Saudis is part of an IHH program to raise \$64.6 million in new equity capital.

Horst-Dieter Esch, the IHH chairman, said Monday that the Dallah Establishment, a Saudi Arabian industrial group involved in the construction and entertainment industries, would acquire the IHH stock for \$38.7 million. Dallah has revenue of \$1 billion.

Mr. Esch said, "We need the liquidity that will come with this investment to increase the working capital of several of our subsidiaries and to reduce our bank borrowings, thus cutting our interest."

He said that Sheikh Saleh al-Kamel, Dallah's principal shareholder, would represent the Saudis on the IHH policy-setting board.

GM Stake Reduced

The Arab group will purchase newly issued shares that will result in a reduction of GM's stake in the West German company to 17.87 percent — equal to Dallah's holding — from 19.8 percent.

IBH acquired Terex, a General Motors subsidiary that makes heavy construction vehicles, in 1980 in a deal that ultimately made General Motors the biggest IHH shareholder, with the 19.8 percent stake.

IBH grew rapidly after it was founded in 1975 by Mr. Esch, 39, a flamboyant businessman who founded the company into the world's third-largest manufacturer of construction machinery, after Caterpillar Tractor and Komatsu. He did it largely by acquiring 11 European and U.S. construction machine companies during a slump in the industry.

Earlier this year, Mr. Esch said that nonconsolidated group revenues increased 15.6 percent in 1981, to \$1.06 billion, from 1980's \$925 million. IBH publishes no earnings figures, but Mr. Esch said the company broke even in 1981, a result similar to its 1980 performance.

The company's profitability was hurt last year by the continuing construction industry slump in Europe and the United States, and by high bank lending costs. IBH also suffered from efforts to turn around Hanomag, the money-losing German construction machine company it had acquired from Massey-Ferguson in 1980.

Essentially, the capital injection helps IBH fulfill financing provisions of a complex credit guarantee arrangement it signed recently with political leaders in Hannover, Hanomag's headquarters, to qualify for state aid to complete a \$66.8 million project to rebuild Hanomag's obsolete plants.

Construction costs of the power station, located on the eastern coast of northern Taiwan, are estimated at about \$5 billion. The plant, now under construction, will have two 900,000-kilowatt generators. Completion is scheduled for 1993.

Mr. Chen said the bids of two companies, Framatome of France and Kraftwerk Union of West Germany, to supply the nuclear steam supply systems were not accepted.

Parsons of Britain has been chosen to supply the two generators, against competition from General Electric and Westinghouse, Mitsubishi and Hitachi of Japan, and Brown, Boveri of Switzerland.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

France			
Emerson Electric			
2nd Quar.	1981	1980	
Revenue	971.9	911.1	
Profits	76.36	73.68	
Per Share	1.14	1.07	
4 Months	1982	1981	
Revenue	1,760.0	1,710.0	
Profits	150.2	139.5	
Per Share	2.18	2.04	
Great Britain			
Total Group			
Year	1981	1980	
Revenue	418.34	377.29	
Profits	7.88	3.85	
Per Share	3.20	1.30	
Netherlands			
Rijk-Schelde-Vereins			
Year	1981	1980	
Revenue	8.40	20.70	
Profits	0.52	0.47	
United States			
Beneficial Corp.			
1st Quar.	1982	1981	
Revenue	12.5	12.5	
Profits	0.63	0.57	
Per Share	0.63	0.57	

Liberty Changes Fabric of Strategy

By Sandra Salmons

New York Times Service

LONDON — If Harrods is an institution, it is often said here, then Liberty is a monument. But while that description of this city's other large department store may befit its Tudor-style facade and high-priced gentility, it is not always the best way for a retailer to sell goods.

Tourists "just come in here as though it was the Tower of London," David Pike remarked ruefully upon his appointment last year as chairman of Liberty & Co. "They don't buy."

Since his appointment as the first chairman from outside the founding Liberty family, Mr. Pike, 63, who was hired as an assistant accountant by Liberty in 1951, has been trying to patch the cracks in the monument by expanding into the United States, retrenching elsewhere and selling harder at home.

Despite a hard year for retailers generally — and a Christmas-season blizzard, followed by a rail strike that worsened the situation — his efforts appear to be paying off. Last Wednesday, the company reported a profit of \$328,000 for the fiscal year ended Jan. 31, compared with \$52,000 for the previous year.

Sales, which had slipped to £21 million, rose 13 percent, to £24 million.

Dutch Cuts

One of the main reasons for Liberty's restored health was the major surgery performed by Mr. Pike on the company's business in the Netherlands, where the recession had produced a pool of red ink.

The chairman shut down five branches within Dutch-owned department stores, leaving only two Liberty stores and 25 percent of the original staff. "We've got the knife out," Mr. Pike said in a recent interview. "I'm afraid there's a bit of the accountant at work."

But in other territories, Liberty is proving expansionist. The company, which opened its first store in the United States in 1978 — a small store on East 60th Street within hailing distance of Bloomingdale — has initiated a full-scale invasion of America. It opened a store in Philadelphia last November and another in Washington in December.

It plans to have a store in Chicago's exclusive Water Tower section and a shop in Columbus, Ohio, by September, and it is looking closely at Boston, Dallas, Kansas City, Mo., and San Francisco.

At the same time, it is warning department stores such as Macy's, which originally stocked only a handful of Liberty's gift items, that they may have to add clothing, fabrics and other products if they want to continue. "We're more ambitious now," said Geoffrey Phillips, president of Liberty U.S.A. in New York.

The Home Fires

Britain still accounts for three-quarters of the company's revenue, however, and it is here that Liberty is trying to change its image. Historically, the company has been identified with Britain's upper class, a relationship that proved profitable as long as that class spent freely.

But as those customers have aged, and their purses become pinched, many limited themselves to more modest purchases, such as the ubiquitous Liberty scarf, knotted at the chin.

The goal now, Mr. Pike said, is to "popularize the name of Liberty, without debasing it." To do so, it is spending more money on promotion, including a mail order catalogue — a reversal to a Liberty practice of 50 years ago — and, in an extraordinary step, television advertising.

This approach is evidently working. Liberty's British retail sales, from its London store as well as its 18 branches throughout the country, rose 22 percent last year, Mr. Pike said.

Founded in 1875 by Arthur Lasenby Liberty as an importer of fine cashmere from India, cotton from the Sudan, silk from China and Japan and rugs from Persia, the store quickly won a following among the aesthetes of the day who favored the uncorseted, pre-Raphaelite look that it endorsed.

NYSE Prices Cling to Early Gain

From Agency Dispatches

NEW YORK — Prices on the New York Stock Exchange held onto an early gain to close higher Tuesday, and analysts said investors were encouraged by the market's ability to absorb the escalation of hostilities in the Falkland Islands dispute.

The Dow Jones industrial average, which had been up as much as eight points in the morning, closed with a gain of 5.42 points at 854.45. Advances led declines by a 9-to-5 margin, and volume swelled to 58.7 million shares from the 46.5 million traded Monday.

Analysts were impressed that the market managed to hold its own for the last two days despite rising interest rates and the Falklands crisis.

Analysts said Tuesday's increased trading activity was a signal that investors are becoming more optimistic about the outlook for stock prices. Volume both Monday and Friday was less than 50 million shares.

Bond prices fell Tuesday as short-term interest rates climbed in advance of the Treasury Department's quarterly refunding.

The Treasury was scheduled to auction \$5.25 billion of three-year notes Tuesday and \$4 billion of 10-year notes on Wednesday.

Federal funds, the overnight loans among banks of uncommitted reserves, traded at 16 1/2 percent, up sharply from Monday.

On the NYSE floor, computer stocks performed well, benefiting from bargain hunting after the sharp selloffs in several issues.

The most noticeable gainer in the group was Datapoint, up 1 1/4 to 14 1/2.

Other computer stocks with gains included Honeywell, up 2 1/4 to 73, Digital Equipment, 1 to 80 1/2, and Burroughs 1/2 to 36 1/2.

Transportation stocks were higher and active, helping to boost the Dow Jones transportation index up by 4.40 points. Analysts said that the changes in the transportation index often presage similar moves in the industrial average.

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A detail from a Liberty & Co. fabric print and, inset, company chairman David Pike in front of the Liberty store in London.

Liberty firmly secured its place in the nation's heart when, in the mid-1920s, the company built its extraordinary, block-long Elizabethan building on Regent Street, just off Oxford Circus. The building, constructed of the timber and oak from two old battlefields, is resplendent outside with the borrowed coats of arms of Henry VIII's six wives and Queen Elizabeth I, and is topped by a weather-vane that is a gilded copper model of the Mayflower. Inside, the store is a rambling series of galleries, four stories high, grouped around three wells that evoke the courtyards of old English inns.

Under its present chairman, Liberty has been refurbishing its valuable real estate, with the idea of renting 4,000 square feet to other high-toned retailers.

And there are other breaks with tradition. In one sense, Liberty is still a family company, with 60 percent of its shares owned by the founder's descendants, and three of the six board members from the family.

But Arthur Stewart-Liberty, the great-nephew of the founder, retired from the chairman's post last year, and although his two sons are involved in the company, one as a merchandise manager and the other running the company's diminished business in the Netherlands, they are not heirs apparent to Mr. Pike.

Accordingly, Mr. Pike has begun to market the company to investors as well as to shoppers. This fiscal year's results will be publicized, not in the customary slim, cream-colored brochure, but in a glossy, picture-filled annual report with a cover in the royal purple that, like the olive green of Harrods, has become Liberty's trademark. "Obviously, one day, not too distant, this will have to cease being a family company," Mr. Pike said. "Things have changed."

Things have changed. The price of gold fell by more than \$20 an ounce here Tuesday, closing at \$341.75 an ounce after the preliminary weekend close on Friday of \$362 an ounce.

Dealers said business was moderate, with investors generally uncertain about the sharp fall in New York futures Friday. They said there is still considerable buying pressure and that the Falklands crisis could potentially push values up to around \$370 an ounce. On New York's Comex Tuesday, gold was trading at \$341.20.

French auto company Renault has a 46-percent stake in AMC.

Meanwhile, AMC reported Tuesday that domestic car sales in April fell 27 percent to 12,878 cars from the year-earlier month. It said in the year to date, car sales declined 34 percent to 41,981 from the year-ago period. U.S. Jeep sales declined 12 percent in April to 5,040.

Car sales for the Big Three U.S. automakers fell 5.1 percent to the end of April from the year-earlier period, and sales for the month were down 4.9 percent, they said Tuesday.

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American Motors Pact With UAW Threatened By Local's Rejection

From Agency Dispatches

DETROIT — American Motors Corp.'s tentative pact with the United Auto Workers, which called for employees to defer some wage increases, appeared to be unraveling Tuesday.

The UAW said Tuesday that the agreement had been shelved for the time being because a union local in Toledo, Ohio, narrowly rejected it.

The local's rejection of the pact Monday came after two other UAW locals accepted it. UAW officials said they needed approval from all three in order to implement the \$115-million investment plan.

It was the first setback to the series of agreements that the UAW negotiated this year under which the union granted various concessions designed to revive the ailing U.S. auto industry. The new UAW contracts with General Motors and Ford provided for savings over 30 months of \$2.5 billion and \$1 billion respectively.

Two Approvals

The union planned to convene its 42-member AMC council "in the near future" to discuss the defeat, the union's secretary-treasurer, Raymond Majerus said. AMC spokesmen said company and union officials were to meet Tuesday to discuss their next step.

The contract calls for workers to invest future wage boosts and benefits in AMC's new-product development program. A local in Kansas, Wis., approved the accord by a 52-percent margin last week. A third local, in Milwaukee, had approved the contract by an 89-percent margin April 24.

The agreement asked AMC's 14,000 U.S. workers to give up six cost-of-living allowance increases in return for prepaid legal services, a commitment not to play off one local against another for work, strengthened benefits for laid-off workers and a promise to resume all the paid days off and pay raises before the contract expires in 1985.

Analysts said that the only real savings to AMC, which lost \$136.6 million last year and \$51 million in the first quarter of this year, would come from the fact that by borrowing from workers, AMC would be paying only 10 percent interest, rather than competitive rates. They estimated the real saving at about \$20 million.

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AMEX Nationwide Trading Closing Prices May 4

Tables include the nationwide prices up to the closing on Wall Street

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(Continued on Page 21)

Chicago Futures				Open High Low Settle Chg.				Open High Low Settle Chg.				Open High Low Settle Chg.			
May 4, 1982															
May High Low Mean Prev.															
WHEAT				WITH PLYWOOD				Dec				COFFEE C			
per bushels				No. 2, 1,500 lbs. @ 100				83.32 83.34 83.34 83.37 +.05				No. 1, 140,000 / 140,000			
No. 1				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 2, 140,000 140,000 140,000			
No. 2				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 3, 140,000 140,000 140,000			
No. 3				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 4, 140,000 140,000 140,000			
No. 4				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 5, 140,000 140,000 140,000			
No. 5				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 6, 140,000 140,000 140,000			
No. 6				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 7, 140,000 140,000 140,000			
No. 7				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 8, 140,000 140,000 140,000			
No. 8				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 9, 140,000 140,000 140,000			
No. 9				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 10, 140,000 140,000 140,000			
No. 10				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 11, 140,000 140,000 140,000			
No. 11				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 12, 140,000 140,000 140,000			
No. 12				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 13, 140,000 140,000 140,000			
No. 13				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 14, 140,000 140,000 140,000			
No. 14				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 15, 140,000 140,000 140,000			
No. 15				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 16, 140,000 140,000 140,000			
No. 16				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 17, 140,000 140,000 140,000			
No. 17				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 18, 140,000 140,000 140,000			
No. 18				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 19, 140,000 140,000 140,000			
No. 19				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 20, 140,000 140,000 140,000			
No. 20				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 21, 140,000 140,000 140,000			
No. 21				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 22, 140,000 140,000 140,000			
No. 22				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 23, 140,000 140,000 140,000			
No. 23				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 24, 140,000 140,000 140,000			
No. 24				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 25, 140,000 140,000 140,000			
No. 25				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 26, 140,000 140,000 140,000			
No. 26				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 27, 140,000 140,000 140,000			
No. 27				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 28, 140,000 140,000 140,000			
No. 28				May 1,500 1,500 1,500 1,500 +1.00				83.16 83.16 83.16 83.37 +.20				No. 29, 140,			

Eurocurrency Interest Rates

May 4, 1982				
D-Mark	Swiss Franc	Sterling	French Franc	SCU
8 1/4 - 9 1/4	3 1/4 - 3 1/2	13 1/4 - 13 1/2	23 - 24	N.A.
8 3/4 - 8 7/8	3 1/4 - 3 1/2	13 1/4 - 13 1/2	23 - 24	N.A.
8 1/2 - 8 5/8	4 1/4 - 4 1/2	13 1/4 - 13 1/2	22 1/2 - 23 1/2	N.A.
8 1/4 - 8 1/2	4 1/4 - 5	13 1/4 - 13 1/2	22 - 23	N.A.
8 1/2 - 8 3/4	5 1/4 - 5 1/2	13 1/4 - 13 1/2	19 1/2 - 20 1/2	N.A.

PROVINCE OF BRITISH COLUMBIA (CANADA)

Deutsche Bank
Aktiengesellschaft

Allgemeine Bank Nederland N.V.	Banque de Paris et des Pays-Bas	Bayerische Landesbank Girozentrale
Dominion Securities Ames Limited	McLeod Young Weir International Limited	Morgan Stanley International
Société Générale de Banque S. A.	Swiss Bank Corporation International Limited	S. G. Warburg & Co. Ltd.
Alahli Bank of Kuwait (K. S. C.) Arnhold and S. Bleichroeder, Inc.	Amro International Limited Atlantic Capital Corporation Banca del Gotterdo	Arab Banking Corporation (ABC) Julius Baer International Limited Bank of America International Limited Bank Mees & Hope NV
Banca Commerciale Italiana	Bank Leu International Ltd.	Banque Française du Commerce Extérieur
Bank für Gemeinwirtschaft Aktiengesellschaft Bank of Tokyo International Limited	Banque Bruxelles Lambert S. A.	Banque Internationale du Commerce Extérieur
Banque Générale du Luxembourg S. A. Banque Nationale de Paris Banque de l'Union Européenne	Banque de l'Indochine et de Suez Banque de Noufize, Schlumberger, Mellet Banque Worms	Banque Internationale à Luxembourg S. A. Banque Populaire Suisse S. A. Luxembourg Barclays Bank International Limited
Baring Brothers & Co., Limited Bergon Bank	Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft Berliner Handels- und Frankfurter Bank James Capel & Co.	Bayerische Vereinsbank Aktiengesellschaft Blyth Eastman Paine Webber International Limited Cazenove & Co.
Burns Fry Limited Chase Manhattan Limited	CIBC Limited	Citibank International Bank Limited Crédit Commercial de France
Commerzbank Aktiengesellschaft Crédit Industriel d'Alsace et de Lorraine Crédit Suisse First Boston Limited Deihrück & Co.	Continental Illinois Limited Crédit Industriel et Commercial Créditanstalt für Bankwesen	Crédit Lyonnais Daiwa Europa Limited
Dresdner Bank, . Aktiengesellschaft Euromobiliere S. p. A.	Deutsche Girozentrale - Deutsche Kommunalbank - Drexel Burnham Lambert Incorporated European Banking Company Limited Goldman Sachs International Corp.	DG Bank Deutsche Genossenschaftsbank Erfurterbank-Warburg Aktiengesellschaft Gaffa International Limited Greanahelde Incorporated
Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft Groupe des Banquiers Privés Genevois	Hembree Bank Limited Hill Samuel & Co. Limited Kleinwort, Benson Limited Lazard Frères et Cie	Handelsbank N.W. (Overseas) Limited Industriebank von Japan (Deutschland) Aktiengesellschaft Kreditbank N.V.
Hessische Landesbank Girozentrale - Gidder, Peabody International Limited Kuwait Investment Company (S.A.K.)	Manufacturers Hanover Limited B. Metzler soel. Sohn & Co.	Lahman Brothers Kuhn Loob International, Inc. Merck, Finck & Co.
Lloyds Bank International Limited Marill Lynch International & Co.	Morgan Guaranty Ltd	Samuel Montagu & Co. Limited Nesbitt, Thomson Limited
Morgan Grenfell & Co., Limited The Nikko Securities Co., (Europe) Ltd.	Nomura International Limited	Norddeutsche Landesbank Girozentrale Sal. Oppenheim jr. & Cie.
Norfolk Bank Limited Norion Royal Bank Limited Nobobank Nederland	Den norske Creditbank	Pierson, Halding & Pierson N.V.
Salomon Brothers International	Österreichische Länderbank Aktiengesellschaft Richardson Securities of Canada	N. M. Rothschild & Sons Limited J. Henry Schroder Wegg & Co. Limited
Skandinaviska Enskilda Banken Strauss, Turnbull & Co. Union Bank of Switzerland (Securities) Limited Vortobol & Co.	Schröder, Münchmeyer, Hengst & Co.	Société Séquoise de Banque Trinkaus & Burkhart Vereins- und Westbank Aktiengesellschaft Westdeutsche Landesbank Girozentrale Yamaichi International (Europe)
Walter Rappold Overseas Ltd.	Société Générale Svenska Handelsbanken Verband Schweizerischer Kantonalbanken M. M. Warburg-Brinckmann, Wirtz & Co. Wood Gundy Limited	

(Figures in sterling per metric ton)
Silver in pence per troy ounce
May 4, 1987

	Today		Previous	
	Bid	Asked	Bid	Asked
High grade copper cathodes:				
spot	\$68.50	\$69.50	\$58.50	\$59.50
3 months	\$68.50	\$69.00	\$58.00	\$59.00

(Prices in sterling per metric ton)
[Gross] in U.S. dollars per metric ton
May 4, 1982

	High	Low	Close (Mid-Asked)		Previous (Close)	
SUGAR						
Nov	129.75	124.50	126.40	126.45	N.A.	N.A.
Dec	135.25	130.50	132.05	132.30	N.A.	N.A.
Jan	N.T.	N.T.	135.00	136.00	N.A.	N.A.

(Figures in French francs per metric ton)
May 4, 1982

	Nigh	Low	Cham	Ch.
			(Bid-Asked)	
NGAR	N.T.	N.T.	1,540 1,565	—
y	1,437	1,554	1,601 1,565	—
ng	1,585	1,525	1,530 1,540	—
t	N.T.	N.T.	1,430 1,430	—

Closing Prices, May 4, 1982

Cardiac	24	24 1/2	Kalest of	10	20	PrinStevn
CrashTie	19	19 1/4	Kalvar	15-16	1 1/2	Prespr
CullFid	1 1/2	1 1/4	Kaman	18	19	PBSNYC
Cytron	6 1/2	4 1/4	KelTys	28 1/2	30 1/2	Purden
DadDex	12 1/2	13 1/4	Kimball	21	21 1/2	PurDCos
DayM-3	11 1/4	11 1/4	Kinnet	1 1/2	1 1/2	QuakerCh
						RosenPr

Closing prices, May 4, 1982

Banks		Lesser-Min Cos-Mat.	Coupon Next	%
Cos-Mat.	Coupon Next	Bid Asked		
sh 57-83	15%	8-26	99%	100%
82-84	15%	9-30	99%	100%
			LTCB 64-82	14 5/16
			LTCB 6-80	7-27
			LTCB 54-85	8-15
			LTCB 57-84	16%
				5-12
				14 11/16

May 4, 1982

ton. lb.

CS
6-30 38V₂, yd

1P11.), ton

May 4, 1982
INCREASED

	Per.	Ann.
Sec	M	.15
	D	.85%
Cool	O	.28

STOCK SPLITS
 1987 — 2-for-1
 1988 — 5-for-4

stock exchanges p

on page 12:

Highs and

NEW HIGHS—74

Gen Mills
Goodyear
Hockmair
Herman Co

Indiana 3.6307
IntMunited
JohnsIn
KaneChy 91

Kroger Co
LM House of
LITCO
Lockheed
Lockheed of
North Ind

Noblebird	W
NogM Pow	W
NSPw 4.80pf	Z

Novolind n	
EW LOWS—26	
FlaSteel	P
GEOLnd	R
Gen Tire	B
Genhard wt	

AMEX Nationwide Trading Closing Prices May 4

Tables include the nationwide prices up to the closing on Wall Street.

[illegible]

Chemical on Lending: A bank's attitude toward credit is a key to its leadership. At Chemical, we believe in the creative approach—building on tradition by improving it to anticipate your growing and changing needs.

Our record on loan response time, for instance, has always been good, but we want to make it still better. Aggressive business needs aggressive banking, so our lending officers are encouraged to create new solutions and to speed up the entire process of corporate credit.



Our highly skilled professionals reflect the new spirit at Chemical—innovative, constantly improving, winning. We're expanding our worldwide services with creative lending techniques. You'll see the results in our performance and in your financial picture.

What Chemical has done yesterday, what we're doing today and what we're working toward for tomorrow are all part of the tradition of giving you the very best banking service. And improving on it.

CHEMICAL BANK

**Tradition is
something to build
on, not rest on.**

CHEMICAL TAKES YOU BEYOND TRADITION.

